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FULL COMMITTEE HEARING ON H. R. 2224, S. 3476, NAVAL PETROLEUM RESERVE NO. 1 CONTRACT, REAL ESTATE AND CONSTRUCTION PROJECTS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., Thursday, June 24, 1954.

The committee met at 10 a. m., the Honorable Dewey Short, chairman of the committee, presiding.

The CHAIRMAN. The committee will please be in order.

H. R. 2224

The CHAIRMAN. Several matters we must dispose of this morning, rather minor bills, but rather important.

The first is a report of Subcommittee No. 2 on the following bills: H. R. 2224, to amend the Army-Navy Medical Service Corps Act of 1947, so as to authorize the appointment of a Chief of the Medical Service Corps.

You have a report on that, Mr. Blandford?

Mr. BLANDFORD. Yes, sir. This bill simply makes the Chief of the Medical Service Corps of the Navy, or allows them to have a Chief of the Medical Service Corps of the Navy, comparable to what Army has, and comparable to what Air Force has. It allows the individual to be a captain, and he will have then the same retirement privileges as other bureau chiefs; that is, after he serve 2½ years, if he should revert to a lower grade and eventually upon retirement would be retired as a captain.

The Navy wants it. They didn't want it when the original act was passed because it was a small organization. They didn't know what its future was going to be. Now they have 987 officers serving in various duties throughout the United States and the world in all of these allied specialty fields that involve the Medical Service Corps officers.

And Admiral Pugh is very anxious to have a chief because the only officer today, the most senior officer is a commander, and he would like to be able to recommend one of his commanders to serve as a captain as Chief of the Medical Service Corps.

The CHAIRMAN. This measure is merely to equalize the different services and give the Navy what the Army and Air Force already have. Without objection, the bill is adopted.

(Whereupon the committee proceeded to further business.)

S. 3476

The CHAIRMAN. The next is S. 3476.

Mr. BLANDFORD. This is a simple proposition, to promote Comdr. Donald B. McMillan, that famous octogenarian, who has been an Arctic explorer and who has gone to the Arctic nine times. He is 80

years old, and this will make him a rear admiral, retired, of the United States Navy Reserve. It is an honorary promotion and involves no pay.

The CHAIRMAN. I might say the Speaker called me this morning and also Senator Margaret Chase Smith, of Maine. They are very interested on this. I understand they are having a big celebration on Saturday of this week, and the Speaker said if our committee authorizes this morning, he would recognize the Chair shortly after the House convenes in order that we can get the bill through.

(Moves to report.)

The CHAIRMAN. Without objection, the bill is favorably reported.

(Whereupon the committee proceeded to further business.)

NAVAL PETROLEUM CONTRACT

The CHAIRMAN. The next is the naval petroleum contract.

Mr. Smart.

Mr. SMART. Mr. Chairman, the sale of oil from the shallow zone of Elk Hills Naval Petroleum No. 1: The contract covering that expires on July 7. As a consequence, we need a new contract approved by the President and the committees of Congress and signed by the President by July 8.

This contract: 39 people were requested to bid, 3 did bid, and of those 3, 2 were disqualified as being unresponsive. The Standard Oil, the Navy's partner in Naval Petroleum No. 1, was a qualified bidder. Their bid is market price, posted in the four major producing areas in that vicinity.

The contract is to run for a maximum of 3 years. It will run at least 1 year, at which time either party may terminate the agreement upon giving 6 months' notice.

Therefore you will have a minimum of 18 months, during which the contract will run. You will have a maximum of 3 years. This type of consultation is a routine matter.

The CHAIRMAN. Mr. Vinson?

Mr. VINSON. Mr. Chairman, the provision of the statute requiring it to be submitted to the committee has been complied with.

Mr. SMART. Yes, sir.

Mr. VINSON. So therefore I know of nothing for us to do, because it is in accordance with the law.

Mr. SMART. Correct, sir.

Mr. VINSON. All we do is merely to advise the Department that they have met their requirements.

The CHAIRMAN. Mr. Rivers.

Mr. RIVERS. Without objection.

The CHAIRMAN. It is all right with you?

Mr. RIVERS. Without objection.

The CHAIRMAN. Without objection, the committee interposes no objection to the Navy's proposal.

(Whereupon the committee proceeded to further business.)

Real Estate and Construction Subcommittee Report

The Chairman. Now we have a report from Mr. Cunningham's Acquisitions and Disposal Subcommittee. This committee, as you know, has been working long and hard on these different projects. I am sure we don't have time to go into them in detail. They have gone over them carefully. And Mr. Cunningham——

Mr. Vinson. Mr. Chairman, I suggest they be approved en bloc.

The Chairman. En bloc, yes.

Mr. Vinson. The gentleman——

The Chairman. I think he has a brief statement.

Mr. Cunningham. Mr. Chairman, this committee met Monday forenoon and afternoon and did a lot of work. And I have about eight pages here, but I have it summarized in a half page and I think that is sufficient.

The Chairman. All right, let's have it.

Mr. Cunningham. Mr. Chairman, on June 16 and 21, your Real Estate and Construction Subcommittee met to consider projects of all three departments. On June 21, the subcommittee sat both morning and afternoon. During those meetings, 20 real estate projects were considered and approval of 18 of them is recommended. Also considered were 9 classified construction projects, all of which are recommended for approval—and last, 1 project for guaranteed rental housing in French Morocco and Newfoundland.

Mr. Chairman, I have a seven-page report covering these projects and I shall be pleased to give the details of them; however, if it is your wish, I shall be pleased to insert the report in the record in the interest of saving time, and therefore moving the adoption of the entire report.

Mr. Vinson. Second the motion.

The Chairman. Those in favor say "Aye." Opposed,"No."

It is unanimously adopted; and we will insert the full explanation for the record.

(The information referred to is as follows:)

Statement of Chairman Cunningham

Mr. Chairman, on June 16 and 21, your Real Estate and Construction Subcommittee met to consider projects of all three departments. On June 21, the subcommittee sat both morning and afternoon.

I will give a brief description of each project and the Subcommittee's recommendation.

First, the Army projects:

Acquisition No. 85.—This project is for the acquisition of the Delaware, Lackawanna, & Western Railroad shops in Scranton, Pa. This property is now leased by an ordnance contractor of the Army and the rental is such that the best interests of the Government will be served by the acquisition of the property in fee. Also, the property will be extremely valuable as part of the mobilization base of the ordnance activity. The estimated cost is $991,425.

Acquisition No. 90.—This is for a 5-year leasehold of some 36,000 square feet of floor space and the joint use of other facilities including the law library at the Judge Advocate General School, the University of Virginia. The rental is $53,354 per annum. This appeared to the subcommittee a particularly advantageous arrangement.

Acquisition No. 84.—This project is for the renewal of a GSA lease covering some 17,000 square feet in a building in Birmingham, Ala., used as office space by the Birmingham Ordnance District. The annual rental is $42,203 or $2.50 per square foot.

Disposal No. 26.—In this case, the Maritime Administration, Department of Commerce, is returning to the Army the Philadelphia Army Supply Base. The

Army proposes to outlease the property under an arrangement which will allow the performance of some badly needed maintenance work at the present time without the expenditure of appropriated funds. The Army will inform the committee when the details of this lease have been worked out.

The subcommittee recommends the approval of the foregoing Army projects. One other Army project, No. 89, which involves the renewal of antiaircraft artillery sites, was passed over until the subcommittee could survey some of the sites in the Washington area. This is considered necessary in view of the high rentals being paid in some instances.

Next, the Navy projects:

Acquisition No. 97.—This project involves the transfer from Army to the Navy of 31 acres at Fort Adams, Newport, R. I. The property is needed by the Navy for some title VIII housing, relocation of a target repair unit, and other allied purposes. No money is involved.

Disposal No. 25.—This project is for the declaration as excess of the Haster Farm Outlying Field at Garden Grove, Calif. This was a training facility during the war and the Navy assured the subcommittee that the property was not valuable from a defense standpoint even at a time of mobilization.

The subcommittee recommends approval of the foregoing Navy projects.

The Air Force projects are as follows:

Acquisition No. 185.—Renewal of a GSA lease covering 21,000 square feet at 1411 Walnut Street in Philadelphia which is used by the Philadelphia Air Procurement District. The annual rental is $63,455 per year or $3 a foot which is below the prevailing rentals for similar type properties in that area.

Acquisition No. 191.—Renewal of a lease covering almost 67,000 square feet of office and laboratory space in Boston, Mass. It is used in connection with the Air Force Cambridge Research Center. The annual rental is $58,000 per year The rental is comparable to that paid for similar property in the vicinity.

Acquisition No. 192.—This is the renewal of a lease covering 195,000 square feet of the Farmers' Market enclosure and its appurtenances located on the public levee of Kansas City, Kans. It is used in connection with the processing and storage of Air Force property for the Oklahoma City Air Materiel Area. The annual rental is $97,535. This is at the rate of 50 cents a square foot which is comparable to other storage space in the area.

Acquisition No. 193.—This is for the renewal of leases covering 4,700 square feet of office space, 621,000 square feet of warehouse space, and 1 acre of land 4 miles from the city of Savannah, Ga., at an annual rental of $192,378. This property is used for the assembly and storage of Air Force materials prior to overseas shipment in support of the Strategic Air Command readiness reserve program by Warner Robins air materiel area, Robins Air Force Base, Ga.

Acquisition No. 194.—This project is for the renewal of leases covering land on which are constructed Government-owned buildings at Philadelphia, Pa. The committee will recall that the Air Force was instructed to insert an item for the acquisition in fee of this land in the current public-works bill. The renewal of these leases, which are cancelable on 30 days' notice, is merely to cover the period up until the fee can be acquired. The property is used for the storage of Air Force supplies and equipment being procured within the Middletowne Air Material Command area. The total for the 3 leases involved is $35,000 per year.

Acquisition No. 196.—This is for the renewal of several leases covering property in Newark, N. J., used by the Air Force as an in-transit depot in connection with the mutual defense assistance program and for the crating and shipping of dismantled fighter planes, trucks, spare parts, and other supplies for airbases in the Northeastern United States and in Europe. The total rental involved is $1,087,882, which covers some 4,388,000 square feet of space of closed and open storage, hangars, and auxiliary buildings.

Acquisition No. 198.—This project is for a new lease covering space in the Bendix Building and the Santee Building in Los Angeles, Calif. The square footage is 55,500 and the annual rental is $97,181. The Air Force is required to move from the Mode O'Day Building which presently houses the Western Air Procurement District of the Air Materiel Command. The rental for the new quarters will be slightly less than that in the Mode O'Day Building. These leases will be entered into by the General Services Administration and in the case of the Santee Building, the space is already under lease to the Government.

Acquisition No. 199.—The acquisition of 129 acres at Dover Air Force Base, Del., for $58,000 is involved in this project. The land is required for a 2,600-foot extension at the north end of the existing 7,000 foot of the north-south run-runway.

Acquisitions No. 200 and 201 are both at Vance Air Force Base, Okla. No. 200 is for the acquisition of 275 acres for $127,000 to expand runway No. 1. Project 201 is for the acquisition of 200 acres for $94,000 for the expansion of runway No. 2 and provides clear zones for the 2 cross-wind runways.

Disposal No. 6.—The Air Force proposes to declare as excess the Osage Bombing Range No. 3 in Kansas. This range is 30 miles southwest of Topeka. The range is too small for current Air Force use and cannot be expanded. A check has revealed no other defense requirement.

Disposal No. 7.—This is for the declaration to GSA of 185 acres of land and certain improvements known as the Lovely farm. This property is 4 miles southeast of Presque Isle Air Force Base, Maine. This is a former receiver site. The function once performed there is now performed at Limestone Air Force Base. Its disposal will allow it to be farmed again and go back on the tax rolls.

Disposal No. 8.—The Air Force proposes to dispose of the improvements at the Cape Air Force Base and Chernofski Harbor Supply and Storage Site, Alaska, and return the land to the Department of the Interior. A total of approximately 46,000 acres of land is involved. Most of the improvements are quonset huts or theater of operation type wood buildings which have been damaged by weather to the extent that they are beyond economical repair. Title to the underlying land will remain in the Government.

Your subcommittee recommends approval of the foregoing Air Force projects.

Another Air Force project, No. 197, involving General Mitchell Field at Milwaukee, Wis., was considered but not approved. It is proposed to reopen hearings on this project in view of additional information which has been presented to the subcommittee.

The subcommittee considered classified construction projects Nos. 11, 11-A, 11-B, and 12 submitted by the Department of the Army together with classified construction projects 11-C, 12-A, 15-F, 20-A, and 23-A submitted by the Air Force and recommends approval of these projects.

The last project was presented by the Secretary of Defense and involves the construction of 1,320 units of guarantee rental housing in French Morocco and 500 units in Newfoundland. Hearings on this project extended over 2 days and the subcommittee recommends its approval.

Mr. Chairman, I move favorable consideration of the recommendations made in the foregoing report.

(Whereupon the committee proceeded to further business.)

AGENDA

The CHAIRMAN. Now, members of the committee, there are three major pieces of legislation still on our agenda.

The Chair wants to announce that he is going to adjourn before the Congress does. I have primary opposition which is on August 3, 17 counties, with 400,000 people to see. Since the opposition has become quite vocal and active, I am going to take off after July 4.

Mr. VINSON. The staff, though, with the subcommittees, will be able to carry on.

The CHAIRMAN. Yes.

Mr. RIVERS. We can continue to let Mr. Vinson run the committee.

The CHAIRMAN. That is not as much a slap at Mr. Vinson as it is the Chair, but he understands both Mr. Vinson and the gentleman from South Carolina. So God forgive him. He knows not what he does at times.

Mr. VINSON. It is all right.

The CHAIRMAN. It is all right. It is said in a spirit of kindness. I am sure the committee will get along all right even without the chairman.

But there are three major pieces of legislation: The housing bill, the tanker bill and then the bill to create or give to the Secretary of Defense two additional Assistant Secretaries for each of the depart-

ments. We had a long discussion of that bill. It is the purpose of the Chair to take it up next Tuesday morning, if we can.

Mr. VINSON. All right.

The CHAIRMAN. I called the ranking minority member, the former chairman—off the record.

(Further statement off the record.)

Mr. VINSON. I think, Mr. Chairman, we can dispose of that bill in just a very short time because I think the needs and necessity of the Department warrant and justify the additional Secretaries.

The CHAIRMAN. Yes. Well, we will take that up next Tuesday at 10 o'clock.

Now I am hoping that today and perhaps Monday we can get this public housing bill out.

Those three major pieces of legislation we should get through by the end of next week.

Mr. VINSON. Well, Mr. Chairman, why can't we take up this morning what the committee has designated the Short bill, in regard to the public housing, finish that, and then next take up the tanker bill and finish that, and next Tuesday we will wind up with the Department's additional Secretaries.

And then I certainly join the chairman in hoping that we can adjourn practically sine die, as far as the committee is concerned as we all are in the position of the chairman, having troubles at home. If we don't have trouble, we are overworked and want a little breathing spell. We hope by doing that we may have the effect of impressing the Congress to adjourn by July 31.

Mr. RIVERS. Let's get on to business.

(Whereupon the committee proceeded to further business.)

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